GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3036
ANSWERED ON:12.08.2005
FOREIGN CURRENCY LOAN FOR EXPORT
Reddy Shri Karunakara G.

Will the Minister of FINANCE be pleased to state:

(a) whether the nationalized banks are denying foreign currency loans for export to small scale units and only give rupee loans at higher rate of interest;

(b) if so, whether there is a minimum ceiling in value terms for providing SSI sector imposed by banks for issue of these loans;

(c) if so, the details thereof; and

(d) the steps being taken by the Union Government to provide sufficient foreign currency loans for export to SSI units ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) RBI has reported that they have not received any specific complaint from SSI units regarding denial of foreign currency loan and sanction of only rupee loan at higher rate of interest.

(b) No, Sir.

(c) Does not arise.

(d) Gold Card Scheme was notified on May 18, 2004 for easy availability of export credit. Further, RBI has permitted banks to borrow from abroad without any limit for the purpose of advancing export credit in foreign currency to exporters.